

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 792

Introduced by Jensen, 20

Read first time January 17, 2001

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 43-1321 and 77-4008, Reissue Revised Statutes of
3 Nebraska, and sections 2-15,122, 71-5177, 71-5714,
4 71-8237, and 77-2602, Revised Statutes Supplement, 2000;
5 to change cigarette tax rate and revenue distribution
6 provisions; to create funds; to provide duties; to
7 harmonize provisions; to provide an operative date; to
8 repeal the original sections; and to declare an
9 emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-15,122, Revised Statutes
2 Supplement, 2000, is amended to read:

3 2-15,122. There is hereby created the Natural Resources
4 Enhancement Fund. The State Treasurer shall credit to the fund for
5 the uses and purposes of section 2-15,123 such revenue transferred
6 from section 77-2602, such money as is specifically appropriated,
7 and such funds, fees, donations, gifts, services, or devises or
8 bequests of real or personal property received by the department
9 from any source, federal, state, public, or private, to be used by
10 the department for the purpose of funding programs listed in
11 subsection (2) of section 2-15,123. The department shall allocate
12 money from the fund pursuant to section 2-15,123. The fund shall
13 be exempt from provisions relating to lapsing of appropriations.
14 Any money in the fund available for investment shall be invested by
15 the state investment officer pursuant to the Nebraska Capital
16 Expansion Act and the Nebraska State Funds Investment Act.

17 Sec. 2. Section 43-1321, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 43-1321. There is hereby created the Foster Care Review
20 Board Cash Fund. The fund shall be administered by the State
21 Foster Care Review Board. The board shall remit revenue from the
22 following sources to the State Treasurer for credit to the fund:

23 (1) Registration and other fees received for training,
24 seminars, or conferences fully or partially sponsored or hosted by
25 the board;

26 (2) Payments to offset printing, postage, and other
27 expenses for books, documents, or other materials printed or
28 published by the board; and

1 (3) Money received by the board as gifts, grants,
2 reimbursements, or appropriations from any source intended for the
3 purposes of the fund.

4 The fund shall also include revenue transferred pursuant
5 to section 77-2602. The fund shall be used for the administration
6 of the Foster Care Review Act.

7 Any money in the fund available for investment shall be
8 invested by the state investment officer pursuant to the Nebraska
9 Capital Expansion Act and the Nebraska State Funds Investment Act.

10 Sec. 3. Section 71-5177, Revised Statutes Supplement,
11 2000, is amended to read:

12 71-5177. In addition to any other responsibilities
13 prescribed by the Emergency Medical Services Act, the board shall:

14 (1) Promote the dissemination of public information and
15 education programs to inform the public about out-of-hospital
16 emergency medical care and other out-of-hospital medical
17 information, including appropriate methods of medical self-help,
18 first aid, and the availability of out-of-hospital emergency
19 medical services training programs in the state;

20 (2) Provide for the collection of information for
21 evaluation of the availability and quality of out-of-hospital
22 emergency medical care, evaluate the availability and quality of
23 out-of-hospital emergency medical care, and serve as a focal point
24 for discussion of the provision of out-of-hospital emergency
25 medical care;

26 (3) Review and comment on all state agency proposals and
27 applications that seek funding for out-of-hospital emergency
28 medical care;

1 (4) Establish model procedures for patient management in
2 out-of-hospital medical emergencies that do not limit the authority
3 of law enforcement and fire protection personnel to manage the
4 scene during an out-of-hospital medical emergency;

5 (5) Not less than once each five years, undertake a
6 review and evaluation of the act and its implementation together
7 with a review of the out-of-hospital emergency medical care needs
8 of the citizens of the State of Nebraska and report to the
9 Legislature any recommendations which it may have; ~~and~~

10 (6) Identify communication needs of emergency medical
11 services and make recommendations for development of a
12 communications plan for a communications network for
13 out-of-hospital emergency care providers and emergency medical
14 services; and

15 (7) Develop a grant process, in consultation with the
16 department, for the distribution of funds pursuant to section 8 of
17 this act.

18 Sec. 4. Section 71-5714, Revised Statutes Supplement,
19 2000, is amended to read:

20 71-5714. The Tobacco Prevention and Control Cash Fund is
21 created. The fund shall include revenue transferred from section
22 77-2602. The fund shall be appropriated by the Legislature for a
23 comprehensive statewide tobacco-related public health program,
24 including, but not limited to: (1) Community programs to reduce
25 tobacco use, (2) chronic disease programs, (3) school programs, (4)
26 statewide programs, (5) enforcement, (6) counter marketing, (7)
27 cessation programs, (8) surveillance and evaluation, (9)
28 administration, and (10) the Teen Tobacco Education and Prevention

1 Project. The Legislature is not required to appropriate all
2 available revenue from the fund for such purpose in any given year.
3 The Health and Human Services Committee of the Legislature shall
4 make annual recommendations for appropriations from the fund. Any
5 money in the fund available for investment shall be invested by the
6 state investment officer pursuant to the Nebraska Capital Expansion
7 Act and the Nebraska State Funds Investment Act.

8 Sec. 5. Section 71-8237, Revised Statutes Supplement,
9 2000, is amended to read:

10 71-8237. The State Trauma Advisory Board shall:

11 (1) Advise the department regarding trauma care needs
12 throughout the state;

13 (2) Advise the Board of Emergency Medical Services
14 regarding trauma care to be provided throughout the state by
15 out-of-hospital and emergency medical services;

16 (3) Review the regional trauma plans and recommend
17 changes to the department before the department adopts the plans;

18 (4) Review proposed departmental rules and regulations
19 for trauma care;

20 (5) Recommend modifications in rules regarding trauma
21 care; ~~and~~

22 (6) Draft a two-year statewide prevention plan that each
23 trauma care region shall implement; and

24 (7) Develop a grant process, in consultation with the
25 department, for the distribution of funds pursuant to section 8 of
26 this act.

27 Sec. 6. Section 77-2602, Revised Statutes Supplement,
28 2000, is amended to read:

1 77-2602. (1) Every person engaged in distributing or
2 selling cigarettes at wholesale in this state shall pay to the Tax
3 Commissioner of this state a special privilege tax. This shall be
4 in addition to all other taxes. It shall be paid prior to or at
5 the time of the sale, gift, or delivery to the retail dealer in the
6 several amounts as follows: On each package of cigarettes
7 containing not more than twenty cigarettes, ~~thirty-four~~ sixty-four
8 cents per package; and on packages containing more than twenty
9 cigarettes, the same tax as provided on packages containing not
10 more than twenty cigarettes for the first twenty cigarettes in each
11 package and a tax of one-twentieth of the tax on the first twenty
12 cigarettes on each cigarette in excess of twenty cigarettes in each
13 package. Commencing July 1, 1994, and continuing until July 1,
14 2009, the State Treasurer shall place the equivalent of twenty-one
15 cents of such tax less three million dollars each fiscal year of
16 proceeds of such tax in the General Fund. Commencing July 1, 2009,
17 the State Treasurer shall place the equivalent of twenty-one cents
18 of such tax in the General Fund. For purposes of this section, the
19 equivalent of a specified number of cents of the tax shall mean
20 that portion of the proceeds of the tax equal to the specified
21 number divided by ~~thirty-four~~ sixty-four. The State Treasurer
22 shall distribute the remaining proceeds of such tax in the
23 following order:

24 (a) First, beginning July 1, 1980, the State Treasurer
25 shall place the equivalent of one cent of such tax in the Nebraska
26 Outdoor Recreation Development Cash Fund. For fiscal year
27 distributions occurring after FY1998-99, the distribution under
28 this subdivision shall not be less than the amount distributed

1 under this subdivision for FY1997-98. Any money needed to increase
2 the amount distributed under this subdivision to the FY1997-98
3 amount shall reduce the twenty-one-cent distribution to the General
4 Fund;

5 (b) Second, beginning July 1, 1993, the State Treasurer
6 shall place the equivalent of three cents of such tax in the
7 Department of Health and Human Services Finance and Support Cash
8 Fund to carry out sections 81-637 to 81-640. For fiscal year
9 distributions occurring after FY1998-99, the distribution under
10 this subdivision shall not be less than the amount distributed
11 under this subdivision for FY1997-98. Any money needed to increase
12 the amount distributed under this subdivision to the FY1997-98
13 amount shall reduce the twenty-one-cent distribution to the General
14 Fund;

15 (c) Third, beginning July 1, 1997, and continuing until
16 all the purposes of the Deferred Building Renewal Act have been
17 fulfilled, the State Treasurer shall place the equivalent of seven
18 cents of such tax in the Building Renewal Allocation Fund. The
19 Legislature shall appropriate each fiscal year all sums inuring to
20 the fund, plus interest earnings for the Task Force for Building
21 Renewal to be used to carry out its duties and to fulfill the
22 purposes of the Deferred Building Renewal Act. Unexpended balances
23 existing at the end of each fiscal year shall be, and are hereby,
24 reappropriated. For fiscal year distributions occurring after
25 FY1998-99, the distribution under this subdivision shall not be
26 less than the amount distributed under this subdivision for
27 FY1997-98. Any money needed to increase the amount distributed
28 under this subdivision to the FY1997-98 amount shall reduce the

1 twenty-one-cent distribution to the General Fund;

2 (d) Fourth, beginning July 1, 2001, and continuing until
3 July 1, 2008, the State Treasurer shall place the equivalent of
4 five cents of such tax in the Nebraska Emergency Medical System
5 Operations Fund each fiscal year for disbursement by the Department
6 of Health and Human Services Regulation and Licensure;

7 (e) Fifth, beginning July 1, 2001, and continuing until
8 July 1, 2008, the State Treasurer shall place the equivalent of
9 five cents of such tax in the Tobacco Prevention and Control Cash
10 Fund each fiscal year;

11 (f) Sixth, beginning July 1, 2001, and continuing until
12 July 1, 2008, the State Treasurer shall place the equivalent of
13 five cents of such tax in the Foster Care Review Board Cash Fund
14 each fiscal year;

15 (g) Seventh, beginning July 1, 2001, and continuing until
16 July 1, 2008, the State Treasurer shall place the equivalent of
17 five cents of such tax in the Natural Resources Enhancement Fund
18 each fiscal year;

19 (h) Eighth, beginning July 1, 2001, and continuing until
20 July 1, 2008, the State Treasurer shall place the equivalent of
21 five cents of such tax in the Telehealth Development Fund;

22 (i) Ninth, beginning July 1, 2001, and continuing until
23 July 1, 2008, the State Treasurer shall place the equivalent of two
24 cents of such tax in the Lincoln Antelope Valley Project Fund. The
25 Legislature shall appropriate all sums inuring to the fund to the
26 city of Lincoln;

27 (j) Tenth, beginning July 1, 2001, and continuing until
28 July 1, 2008, the State Treasurer shall place the equivalent of two

1 cents of such tax in the Omaha Riverfront Development Fund. The
2 Legislature shall appropriate all sums inuring to the fund to the
3 city of Omaha;

4 (k) Eleventh, beginning July 1, 2001, and continuing
5 until July 1, 2008, the State Treasurer shall place the equivalent
6 of one cent of such tax in the Community Assessment Center Fund; 7
7 the State Treasurer shall place the difference between the
8 equivalent of thirteen cents of such tax and the sum of the amounts
9 distributed pursuant to subdivisions (a) through (e) and (f) of
10 this subsection in a special fund to be known as the Nebraska
11 Capital Construction Fund;

12 (e) Fifth (1) Twelfth, beginning July 1, 1994, and
13 continuing until July 1, 2009, the State Treasurer shall place in
14 the Municipal Infrastructure Redevelopment Fund the sum of three
15 million dollars each fiscal year to carry out the Municipal
16 Infrastructure Redevelopment Fund Act. The Legislature shall
17 appropriate the sum of three million dollars each year for fiscal
18 year 1994-95 through fiscal year 2008-09; and

19 (f) Sixth (m) Thirteenth, beginning July 1, 2001, the
20 State Treasurer shall place the equivalent of two cents of such tax
21 in the Information Technology Infrastructure Fund; and

22 (n) Fourteenth, the State Treasurer shall place any
23 amount remaining in a special fund to be known as the Nebraska
24 Capital Construction Fund.

25 (2) The Legislature hereby finds and determines that the
26 projects funded from the Municipal Infrastructure Redevelopment
27 Fund, the Nebraska Emergency Medical System Operations Fund, the
28 Tobacco Prevention and Control Cash Fund, the Foster Care Review

1 Board Cash Fund, the Natural Resources Enhancement Fund, the
2 Telehealth Development Fund, the Lincoln Antelope Valley Project
3 Fund, the Omaha Riverfront Development Fund, the Community
4 Assessment Center Fund, and the Building Renewal Allocation Fund
5 are of critical importance to the State of Nebraska. It is the
6 intent of the Legislature that the allocations and appropriations
7 made by the Legislature to such funds or, in the case of
8 allocations for the Municipal Infrastructure Redevelopment Fund, to
9 the particular municipality's account not be reduced until all
10 contracts and securities relating to the construction and financing
11 of the projects or portions of the projects funded from such funds
12 or accounts of such funds are completed or paid or, in the case of
13 the Municipal Infrastructure Redevelopment Fund, the earlier of
14 such date or July 1, 2009, and that until such time any reductions
15 in the cigarette tax rate made by the Legislature shall be
16 simultaneously accompanied by equivalent reductions in the amount
17 dedicated to the General Fund from cigarette tax revenue. Any
18 provision made by the Legislature for distribution of the proceeds
19 of the cigarette tax for projects or programs other than those to
20 (a) the General Fund, (b) the Nebraska Outdoor Recreation
21 Development Cash Fund, (c) the Department of Health and Human
22 Services Finance and Support Cash Fund, (d) the Municipal
23 Infrastructure Redevelopment Fund, (e) the Building Renewal
24 Allocation Fund, ~~and~~ (f) the Information Technology Infrastructure
25 Fund, (g) the Nebraska Emergency Medical System Operations Fund,
26 (h) the Tobacco Prevention and Control Cash Fund, (i) the Foster
27 Care Review Board Cash Fund, (j) the Natural Resources Enhancement
28 Fund, (k) the Telehealth Development Fund, (l) the Lincoln Antelope

1 Valley Project Fund, (m) the Omaha Riverfront Development Fund, and
2 (n) the Community Assessment Center Fund shall not be made a higher
3 priority than or an equal priority to any of the programs or
4 projects specified in subdivisions (a) through ~~(f)~~ (n) of this
5 subsection.

6 Sec. 7. Section 77-4008, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 77-4008. (1) Commencing on or after January 1, 1988, a
9 tax is hereby imposed upon the first owner of tobacco products to
10 be sold in this state. ~~The~~ Prior to the operative date of this
11 act, the tax shall be fifteen percent, and on and after the
12 operative date of this act, the tax shall be forty-five percent, of
13 (a) the purchase price of such tobacco products paid by the first
14 owner or (b) the price at which a first owner who made,
15 manufactured, or fabricated the tobacco product sells the items to
16 others. Such tax shall be in addition to all other taxes.

17 (2) Whenever any person who is licensed under section
18 77-4009 purchases tobacco products from another person licensed
19 under section 77-4009, the seller shall be liable for the payment
20 of the tax.

21 Sec. 8. The Nebraska Emergency Medical System Operations
22 Fund is created. The fund shall be administered by the Department
23 of Health and Human Services Regulation and Licensure. The fund
24 shall include revenue transferred from section 77-2602 and may
25 include gifts, bequests, grants, fees, or other contributions or
26 donations from public or private entities. Forty percent of the
27 money in the fund shall be used to carry out the purposes of the
28 Emergency Medical Services Act, including supportive activities

1 relating to emergency medical services programs and such programs
2 for children, and the department shall distribute money based upon
3 the grant process developed by the Board of Emergency Medical
4 Services and the department pursuant to section 71-5177. Sixty
5 percent of the money in the fund shall be used to carry out the
6 provisions of the Statewide Trauma System Act, including activities
7 related to the design, maintenance, or enhancement of the statewide
8 trauma system, and the department shall distribute money based upon
9 the grant process developed by the State Trauma Advisory Board and
10 the department pursuant to section 71-8237. Any money in the fund
11 available for investment shall be invested by the state investment
12 officer pursuant to the Nebraska Capital Expansion Act and the
13 Nebraska State Funds Investment Act.

14 Sec. 9. There is hereby created the Telehealth
15 Development Fund. The fund shall include revenue transferred from
16 section 77-2602. The money in the fund shall be distributed as
17 directed by the Legislature. Any money in the fund available for
18 investment shall be invested by the state investment officer
19 pursuant to the Nebraska Capital Expansion Act and the Nebraska
20 State Funds Investment Act.

21 Sec. 10. The Lincoln Antelope Valley Project Fund is
22 created. The fund shall include revenue transferred from section
23 77-2602. The fund shall be used by cities of the primary class to
24 support stormwater, transportation, and community revitalization
25 projects which have been subject to the following review: (1) A
26 draft environmental impact statement by the Federal Highway
27 Administration; (2) a draft feasibility study and draft
28 environmental study by the United States Army Corps of Engineers;

1 and (3) an assessment report by a team of local experts concerning
2 the effect of proposed projects on sites and properties under, or
3 eligible for registry under, the National Register of Historic
4 Places. Any money in the fund available for investment shall be
5 invested by the state investment officer pursuant to the Nebraska
6 Capital Expansion Act and the Nebraska State Funds Investment Act.

7 Sec. 11. The Omaha Riverfront Development Fund is
8 created. Amounts credited to the fund pursuant to section 77-2602
9 shall, upon appropriation by the Legislature, be first expended to
10 support the design and development of the redevelopment projects
11 within the riverfront redevelopment plan designated for the area
12 along the Missouri River generally north of Interstate 480 to
13 Interstate 680. Any money in the fund available for investment
14 shall be invested by the state investment officer pursuant to the
15 Nebraska Capital Expansion Act and the Nebraska State Funds
16 Investment Act.

17 Sec. 12. The Community Assessment Center Fund is
18 created. The fund shall include revenue transferred from section
19 77-2602. Money in the fund shall be distributed on an equal basis
20 to all community centers in the state that develop a community
21 assessment plan. Activities of a community center may include, but
22 are not limited to, creating a central booking and receiving
23 facility specifically for juvenile offenders, collecting
24 information about juveniles' needs, accelerating juveniles' access
25 to treatment, providing referrals to parents and children,
26 developing a facility to hold juveniles awaiting placement,
27 expediting court proceedings by providing better information to
28 defense attorneys and prosecutors, providing early intervention

1 services for troubled juveniles, and streamlining the current
2 service delivery system. Any money in the fund available for
3 investment shall be invested by the state investment officer
4 pursuant to the Nebraska Capital Expansion Act and the Nebraska
5 State Funds Investment Act.

6 Sec. 13. This act becomes effective on July 1, 2001.

7 Sec. 14. Original sections 43-1321 and 77-4008, Reissue
8 Revised Statutes of Nebraska, and sections 2-15,122, 71-5177,
9 71-5714, 71-8237, and 77-2602, Revised Statutes Supplement, 2000,
10 are repealed.

11 Sec. 15. Since an emergency exists, this act takes
12 effect when passed and approved according to law.